

MEMORANDUMS OF AGREEMENT

General Comments and Guidance

The Memorandum of Agreement (MOA) between a program management office and a contract administration office (CAO) is a negotiated document that establishes a formal agreement of services to be provided by the CAO in support of the program. It's primary purpose is to prioritize, clarify, or add to the normal contract administration services (CAS) listed in section 42.302 of the Federal Acquisition Regulation (FAR).

When an Acquisition Category (ACAT) I program is assigned to a CAO for surveillance, DoD 5000.2-R requires an MOA be jointly developed and signed by the program management office (PMO) and CAO. When a program managed contract other than ACAT I (i.e. an ACAT II, ACAT III, or programmed depot maintenance contract) is assigned to a CAO for surveillance, it is strongly recommended that an MOA be developed. Benefits of such agreements include maximum use of limited resources through elimination of duplicated efforts. Other benefits include significant reductions in misunderstandings of roles and responsibilities through early communications. Successfully establishing working relationships at the earliest opportunity is critical to achieving and maintaining effective program support/surveillance.

An MOA is intended to be unique and portray the relationship between a specific CAO and PMO. It should identify key individuals, special reporting requirements, coordination activities, and other topics deemed appropriate for inclusion by members of the respective organizations. An MOA applies to all active contracts assigned to a CAO on a specific acquisition program. Should inconsistencies between an MOA and the contract occur, the contract terms and conditions will take precedence and the MOA will be revised to be consistent with the contract.

Negotiation and development of an MOA provides an opportunity to establish effective working relationships at the earliest possible time after contract award. Such relationships are critical to effective program support/surveillance and can be facilitated by clearly documenting the functions and responsibilities of each organization. The MOA should not repeat CAS responsibilities contained in the FAR and DFARS. [Note: Before an MOA is drafted, the CAO Program Integrator or a designated representative should outline for the PMO the normal CAS functions performed by the CAO].

The CAO Program Integrator will be the person primarily responsible to assist the PMO in drafting the MOA. The MOA should consider as a minimum the following topics for inclusion:

1. Documentation of agreements made between involved CAOs when multiple prime contractors perform contracts in support of a major program. When a program managed contract(s) has been awarded to multiple primes such as in a joint

venture or a team arrangement, the first annex of the MOA between the lead CAO and the PMO should be an MOA negotiated between all involved prime contractor CAOs. The lead CAO will be determined based on the lead contractor as identified in the contractual arrangement.

2. Documentation of agreements negotiated between the CAO and PMO which reflect by functional area the responsibilities of each party. This includes agreements which describe the duties of PMO Technical Representatives and the reporting requirements for Earned Value Management [e.g. Cost/Schedule Control Systems Criteria and Cost/Schedule Status Report].
3. The identification of major/critical subcomponents and their subcontractors to include a description of the item and a discussion as to why it's deemed major/critical. Also, discuss any changes to the initial major/critical subcomponent list as a result of specific milestones or events, if known in advance.
4. A prioritization of surveillance and support tasks. Specifically describe high risk areas requiring special attention such as critical technologies, high cost segments of the program, software development, delivery schedules, and contractor cost/schedule performance.
5. Administrative procedures for keeping each organization current on program specific issues and ensuring effective contract administration is achieved and maintained.
6. Frequency and due dates, content, format, transmission/routing instructions, etc. for reports that are to be provided by the CAO to the PMO.
7. Points of contact for each functional area within both the PMO and CAO.
8. Procedures, to include funding, for CAO personnel to travel in support of the program.

An MOA represents a mutual commitment and becomes effective upon signature by the CAO Commander and Program Manager. Changes to an MOA will be made by mutual consent.

An MOA will likely be referred to frequently during program surveillance activities and should be maintained current and complete at all times. It should be updated as changes occur with minor changes requiring only PMO/CAO coordination. Major changes will require negotiating and signing a new agreement. As a minimum, an MOA should be reviewed once a year to ensure that it is current and that the contracts covered are still active.

If either the CAO, PMO or both do not consider an MOA necessary for a specific program, especially an ACAT I program, a Memorandum for Record (MFR) should be prepared by each organization that documents each party's position and corresponding rationale. Each MFR should be kept on file at its respective organization and made available for review if requested.

General Process for Developing an MOA

Phase I - Determine Contents

1. The Program Manager or his designated representative meets with the CAO Program Integrator to determine the contents of the MOA. During this phase, the following top-level factors should be considered:

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| a. Acquisition Category | i. Extent of Subcontracting |
| b. Program Phase | j. Multiple Sources |
| c. Degree of Program Visibility | k. Delivery Schedule |
| d. Contract Type (cost or fixed price) | l. Availability of Manpower |
| e. High Cost Segments of the Program | m. Political Attention Paid to Program |
| f. Contractor Past Performance | n. PMO/CAO/Contractor Strengths |
| g. Critical Technologies | o. PMO/CAO/Contractor Weaknesses |
| h. Software Risks and Concerns | p. Unique Aspects of the Program |

2. In parallel with this activity, the basic contract and its annexes will be systematically analyzed by the Program Integrator and his Program Support Team (PST) to identify contractually specific topics for possible inclusion in the MOA. Areas of the contract such as the following should be considered:

- a. Preliminary/Final Inspection of Deliverable Line Items
- b. Special Inspections and Timeframe for Sending Results
- c. DD Form 250 Signature Authority
- d. Inspection and Acceptance of Engineering Drawings
- e. Provisions of Progress Payments
- f. Provisions of Government Furnished Equipment
- g. Requirements for Certificates of Conformance
- h. Military Standards
- i. Work Requests and Associated Responsibilities
- h. Special Contract Clauses

3. Finally, both the Program Manager and Program Integrator should consult other sources for proposed MOA content to ensure the most effective and full service agreement can be reached. These sources include:

- a. Contractor Program Manager

- b. Defense Contract Audit Agency (DCAA)
- c. PMO/CAO Functional Elements
- d. Government Personnel Who Have Previously Dealt With the Contractor

Note: During this phase, the Program Manager should receive a summary from the Program Integrator outlining the normal contract administration services that the CAO will perform to comply with FAR and DFAR requirements. At this time, the Program Manager should identify/request any additional support that is desired on the program. Please note that only the DCMC Commander can decline a customer's request for support at the present time.

Phase II - Collect Inputs and Write Draft MOA

The Program Integrator collects the various inputs, ensuring that all items, annexes, and documentation of agreements have been accounted for, and drafts the MOA. The Program Integrator then ensures that the draft MOA is coordinated through all levels of the CAO, and ultimately, accepted by the Commander.

Phase III - Coordinate With PM and Sign

The Program Integrator coordinates the draft MOA with the Program Manager to ensure that it accurately reflects the program support previously discussed. Changes are made as needed and the MOA is finalized. The CAO Commander and the Program Manager then sign the MOA and distribution is made.

Early Contract Administration Services

Up to this point, the need for an MOA has revolved around the award of a contract and the program support discussed within an MOA has been limited to traditional post-award functions and services. However, DCMC's vast corporate knowledge in contract management makes it's contract specialists equally valuable in a pre-award setting. For instance, they can help you early in the acquisition process to:

- Construct more effective solicitations
- Identify potential performance risks
- Select capable contractors and
- Develop contracts that are easily administered with less risk of costly modifications

Additionally, they can make significant contributions to acquisition strategy development and planning, RFP preparations, source selections, proposal evaluations, performance risk identification. For these reasons, strong consideration should be given to the development of pre-award MOAs which identify and describe early CAS to be provided to the PMO. Also, early CAS should be included in traditional post-award MOAs to describe program

support which will be needed for follow-on contract awards within a specific acquisition program.

Background On Development of F-22 MOA

The general approach used in preparing the F-22 MOA by the Program